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May/June 1985



Industrial Expansions



PIONEER HI-BRED INTERNATIONAL, INC. **constructing new facility in Johnston**

Pioneer Hi-Bred International, Inc. plans to construct a new microbial research and production facility in Johnston, north of Des Moines, at a cost of \$3 million to \$5 million. Operations in Durant, Iowa, and Portland, Oregon, will be consolidated in the new facility. The 16 employees at the Durant facility will be offered jobs at Pioneer's new Johnston facility.

The exact site of the new facility will be decided by June 1. The facility is being located in the central Iowa area to have access to developments at such learning institutions as Iowa State University in Ames. According to Joe Lebeda, divisional executive vice president of MGD, "Proximity to our research complex at Johnston and institutions such as Iowa State University will enable us to bring these new developments to the market much more efficiently."



FAWN **VENDORS INC.** **expanding Clive plant**

Fawn Engineering Company has announced plans for a 30,000-square-foot addition to its Clive manufacturing plant, providing a 20 percent increase in manufacturing space.

The \$75,000 expansion has been the result of a need for more manufacturing capacity, especially for production of a new generation of electronically controlled vending machines. These new machines, which went into production in February, have digital readouts and accept dollar bills.

The expansion gives Fawn a chance to "re-lay out" the entire operation, allowing its production lines to run at constant levels year-round. In addition, it provides a means of increasing job security for the more than 300 employees now at the Clive plant. According to David Ginsburg, manager for manufacturing, the expansion will add some jobs, but the exact number is uncertain.



moves into the Quad Cities

Hy-Vee Food Stores, Inc., the Chariton-based supermarket chain, plans to move into the Quad Cities later this year. The company plans to lease four former Geifman Food Stores in Bettendorf and Davenport, as well as in Rock Island and Milan, Illinois. The closest Hy-Vee stores are now in Muscatine and Iowa City.

John Rhodes, a Hy-Vee spokesman, said the decision to enter the Quad Cities market was made several months ago when Giefman announced it was closing. This decision gave Hy-Vee the opportunity to expand into another major market.



open for business in Independence

Superior Plastics Inc., a division of Triangle Plastics, began production of shutters in the new Independence facilities last February. The firm employs 27 people, working three shifts. According to Jim Blin, president of Triangle Plastics, the new Superior Plastics factory was located in Independence because the city offered an interest rate buy-down and built a plant the company will rent for five years. Geographic location was favorable and the state's Jobs Training program was also a plus.



Pries Aluminum, Inc. **opens new division in Independence**

Pries Enterprises, Inc. of Waterloo is currently constructing a 40,000-square-foot plant in Independence. The plant, which will be known as Hawkeye Aluminum Company, will employ up to 40 or more people when it opens this fall. In addition to producing quality aluminum extrusions and fabrications, the new plant will have a plant system to better facilitate customers' needs.

Wal-Mart opens Mt. Pleasant facility



Nearly 7,000 people attended the grand opening of the new 669,312-square-foot Wal-Mart distribution center located in Mount Pleasant. Joining Governor Terry Branstad (center) on the podium were Senator Charles Grassley (left), Wal-Mart Chairman of the Board Sam Walton (right) and Ernie Hayes (standing), chairman of the Henry County Industrial Development Corporation.



Grand opening ceremonies that included Wal-Mart Chairman of the Board Sam Walton, Governor Terry Branstad and Senator Charles Grassley were held April 27 in Mount Pleasant for the 669,312-square-foot distribution center that will employ over 400 people.

Nearly 7,000 people from the surrounding communities were in attendance as Walton discussed the some of the reasons Wal-Mart chose to build in Iowa. He stated that a phone call from Governor Branstad helped Wal-Mart officials decide to open a distribution center in Iowa.

"When he called, it was the first time that a governor has called me to sell his state," Walton stated.

Don Soderquist, Wal-Mart executive vice president of sales, further explained that there were over 30 other communities in Illinois, Missouri and Iowa being considered as a site location.

"We were looking at the people, what attitudes they had and what their leadership was like," Soderquist explained. "We were looking to put the facility in this

general area, and once we made the decision to put the center in Iowa, Mount Pleasant did a great job of selling the community and its people."

The facility, the largest distribution center in Iowa, has 15.2 acres under roof. Or, as Governor Branstad stated, "Hayden Fry could have 17 practice fields in this facility." It encompasses a total of 81 acres, providing for 502,848-square-feet of expansion capabilities.

Senator Grassley praised Wal-Mart's new "Buy American" campaign, and stated that he would use his capacity on the Federal Trade Subcommittee to do "anything I can to help Sam (Walton) in his efforts to improve the federal trade deficit and promote American goods through the 'buy American' campaign." Wal-Mart's campaign initiated last February when Walton wrote to 3,000 American manufacturers and wholesalers telling them that the chain wanted to buy more American goods. As of April, Wal-Mart reports that it has written new orders with four suppliers as a result of the 66-year-old Walton's appeal.

"We want to get all area industries involved in this program," Walton said at the grand opening. "We talked to Motorola (of Mount Pleasant) about possibly adding their cellular phone as something we might wish to carry in our stores."

The new distribution center in Mount Pleasant will service over 175 stores in seven states: Wisconsin, Indiana, Illinois, Missouri, Kansas, Nebraska and Iowa. It is the company's first venture in distribution north of its home state (the six other centers are located in Alabama, Texas and Arkansas).

In Iowa, Wal-Mart stores, designed as one-stop family shopping centers featuring a variety of merchandise in 36 departments, are currently located in Muscatine, Anamosa, Pella, Grinnell, Cedar Falls, Independence, Marshalltown and Newton. In addition to these eight stores, which employ nearly 900 people, Wal-Mart plans to open stores in Burlington, Mason City, Fort Madison, Mount Pleasant, Tipton and Ames. In all, Wal-Mart plans to open at least 50 new stores in the upper Midwest.

Wal-Mart is one of the fastest growing and leading retailers in the nation, ranking as the country's eighth largest retailer in a grouping that includes such giants as Sears, Wards and Penney's. In discount retailing, it is second only to K mart Corp.

As Governor Branstad stated in his remarks at the grand opening, "With this background, it is important to see their (Wal-Mart) commitment to Iowa. This distribution center, along with the many new store locations, demonstrate strong confidence in Iowa and our future economic growth."

And, Wal-Mart's commitment to the state is evident in an advertisement recently run with the headline, "Wal-Mart & Iowa . . . Caring, Sharing & Growing Together."

TELECONNECT®

enters joint venture to build fiber-optic telecommunications network

Teleconnect Company of Cedar Rapids and Williams Pipe Line Company, a subsidiary of the Williams Company of Tulsa, Oklahoma, have entered into a joint venture to construct a major fiber-optic telecommunications network criss-crossing Iowa and linking Midwest metropolitan centers.

At the time the announcement was made in May, Governor Terry Branstad hailed the network as "an advanced telecommunications system which positions Iowa for the future, greatly extending our capabilities in commerce, education and quality of life, and as a state of economic opportunity."

Jack Bailey, director of the Iowa Development Commission, states that the fiber-optic network expands an Iowa gateway to economic development. "Economic development for Iowa is our first priority. The Iowa quality of life and outstanding workforce now can link with telecommunications advances to make Iowa an economic magnet, drawing new businesses and industries. Not only firms already operating in Iowa, but also agriculture, education and government can more fully participate in a new era of opportunity for all of us."

The network

The planned 1,200-mile network will employ a highly innovative construction technique — pulling fiber-optic cables through pipelines that will be removed from liquid petroleum transportation service. With some 85 percent of the route using existing pipelines, construction costs, estimated at \$26 million, will be an estimated 40 percent less than conventional trenching methods. Use of the pipelines, believed to be the first such extensive undertaking, also will

provide greater cable security and improved reliability for the fiber-optic system, as well as on-going savings.

The network will link the metropolitan areas of Kansas City, Omaha, Chicago, Minneapolis, Tulsa and Des Moines, with Des Moines as a central point on both the east-west and north-south legs of the route. The east-west route will cross Iowa from Omaha to the Quad Cities, with a connecting spur to Cedar Rapids. The network will also bring fiber-optic communications to points along and adjacent to the route.

What is fiber-optics?

Fiber-optics is a technology in which messages — voice, data, text or video — are converted to light waves for transmissions through optical fibers made of glass. These fibers are smaller than human hair, and the semiconductor lasers producing the light sources are no longer than a grain of salt. In long distance transmission, for which

fiber-optics is ideally suited, light waves are regenerated by lasers approximately every 25 to 35 miles.

Conversion of sound, data, video and other signals at sending and receiving points is done with electronic equipment that is easily changed and upgraded as technology allows — changes that are completely compatible with the installed glass fibers.

What can fiber-optics do?

Some of the capabilities of fiber-optics transmission include —

A single pair of glass fibers can transmit 6,000 telephone conversations simultaneously. This compares with only one voice conversation on a typical pair of copper wires. The long distance quality of a fiber conversation is as good as a phone call from next door.

With lasers flashing at rates up to 565 million per second, 2,000 pages of text can be transmitted in one second over a fiber-optic line.



The Teleconnect-Williams Pipe Line Company fiber optic network (shown left as the solid line) is currently under construction. When completed the network will be able to connect with two other fiber-optic systems under construction (shown by broken and dotted lines to the left).

Today's facsimile transfer is typically one page per minute.

Fiber-optics also provides color video transmission of broadcast quality. This can provide commercial, education or private television use of a fiber-optic network. For example, teleconferences for business meetings and conventions will be practical and economical. Televised instruction by a university professor to industries throughout the state will become commonplace.

The joint venture

Clark E. McLeod, president of Teleconnect and Roy A. Wilkens, president of the Williams Pipe Line Company, stated at the time the announcement was made in May that the project assigns construction responsibilities to Williams Pipe Line, with Teleconnect marketing the fiber-optic services.

Both companies had previously contemplated the installation of fiber-optic networks to serve their existing communications requirements, and substantial economies will result from combining facilities for those requirements in the joint venture project.

The first phase of construction will cover cable installation from Omaha to the Quad-Cities to Chicago,



The optical fiber made of glass (hand-held in the above photo) transmits messages — voice, data, text or video — that have been converted to light waves. A single pair of the glass strands, smaller than human hair, can transmit 6,000 telephone conversations simultaneously. In comparison, a typical pair of copper wires can only transmit one voice conversation. The conventional cable shown above contains 256 pairs of copper wires.

including the spur to Cedar Rapids, and from Des Moines to Kansas City. Construction began in June and is scheduled to be completed by January 1, 1986.

Work on the second phase is tentatively planned to begin in early 1986. It will extend the network from Kansas City to Tulsa and from

Des Moines to Minneapolis, and to Rockford, Illinois. Future plans call for the Teleconnect-Williams network to connect with other fiber-optic networks such as the Litel Telecommunications Corporation fiber-optic network in Chicago and the LDX NET, Inc. network in Kansas City, which is currently under construction.

Teleconnect joins the Clyde Industries to introduce new telephone system

In another joint venture effort, Teleconnect and Clyde Industries America, Inc. have announced the development and production of a new business telephone system being manufactured in Cedar Rapids.

Called the Teleconnect 616, the system is microprocessor-controlled with a capacity for six telephone lines and 16 telephones. It will be the smallest member of a planned family of telephone systems to be introduced in stages over the next several months by the two Cedar Rapids firms.

Teleconnect will market the new system with Clyde Industries doing

the development and manufacturing. In order to market the new system, Teleconnect has formed a Communications Product Division. In addition, the Teleconnect 616 will be sold to businesses through Teleconnect sales offices in Iowa, Illinois and Nebraska.

Paul Smith, Jr., general manager for the Teleconnect 616, said the goal is to attain sales approaching \$15 million in the first year. Based upon that volume, he estimates an immediate need for 20 employees in sales and administration. Additional employees will be hired as new stages of the system are introduced.

Clyde industries will double its work force to produce the Teleconnect 616, according to Bill Schoon, director of sales and marketing. He expects the number of employees to double, mostly in the production area, to 100 by the beginning of 1986.

Teleconnect began business in 1980 with less than a dozen employees selling and servicing business telephone systems. With nearly 800 employees today, it is also engaged in long distance and telemarketing services.

Co-op tourism ad campaign spurs interest in Iowa

Nearly twice as many people are responding to Iowa tourism advertising this year as last year. A special advertising section placed in the *Chicago Tribune*, *Kansas City Star* and *Omaha World Herald* has generated over 12,000 responses.

The four-color insert highlighted many of the state's major tourist attractions, and it offered readers a coupon with which they could request more information on specific attractions and receive a free vacation planning kit. Inquiries number 12,471 as of May 29, and packets are being sent out daily in an effort to keep up with the

continuing demand.

The visitors and tourism division of the Iowa Development Commission has also received 2,035 inquiries from an ad placed in the 1985 Rand McNally Atlas and 32 from the new Rand McNally Campground Guide. That brings the total number of inquiries from advertising to 14,538. Last year, 7,344 inquiries were attributed to advertising for the whole year.

In addition, general requests for tourism information are up 7,000 over 1984. "This should be the best year ever for Iowa tourism," said Paul Comer, manager of the visitors

and tourism division. "We're extremely pleased with the response from our advertising insert, especially since we anticipated about 8,500 replies. Iowa is a great vacation buy, and we're finally getting the word out."

Tourists spend over \$1.6 billion in Iowa each year, and many communities are expanding their tourism efforts to attract a portion of this big business. Over the past several years, the IDC has increased its tourism promotion efforts, incorporating the new tourism slogan, "Come Explore the Heartland."

Coca-Cola® kicks off Iowa tourism campaign

Coca-Cola® Bottlers of Iowa have recently launched a program promoting Iowa tourism to Iowans. At his May 9 press conference, Governor Terry E. Branstad announced that Coca-Cola will spend approximately \$160,000 on the "Come Explore the Heartland" campaign, which will run through the end of the year. The campaign is the largest in-state promotion for Iowa tourism in its 20-year history.

Coke is currently distributing over 700,000 flyers and discount cards in cartons of Coke, Sprite, TAB and diet Coke. The flyers list over 132 Iowa attractions, museums, hotels, motels and restaurants where tourists can obtain discounts simply by presenting the Coca-Cola discount card.

In addition, nearly 100 vacation prizes are being awarded during a 10-week giveaway program,

conducted by selected radio stations around the state. Listeners participating in the Coke discount promotion are going to be given the chance to win camping vacations; free lodging at hotels and motels; free tickets; free tours; and free meals.

During "Coke Day" at the Iowa State Fair on August 22, the Coca-Cola Bottlers plan to hold drawings for several grand prizes, including cases of Coke products; a John Deere riding mower; and two Chrysler automobiles.

"With Coca-Cola's help, Iowa is the biggest vacation value of 1985," Governor Branstad said. "More and more Iowans are staying close to home, and seeking vacation opportunities here in the state. The Coke promotion really aids our efforts to keep tourism dollars in Iowa."



Welcome Centers open

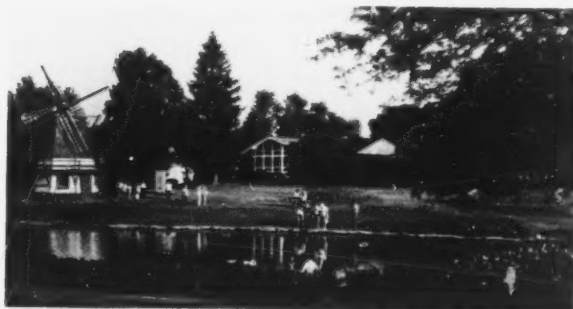
Iowa's seven welcome centers located at interstate highway rest areas are now open to assist travelers with directions, provide maps and information about the state and suggest interesting side trips to Iowa's many tourist attractions.

Over 75,000 people signed guest books at the centers in 1984, and it is estimated that their total spending in Iowa last year was nearly \$15 million.

Welcome centers are located at these interstate rest areas: westbound I-80 at Waukee and outside Wilton; eastbound I-80 near Underwood and Victor; northbound I-35 at Davis City; southbound I-29 near Sergeant Bluff. All welcome centers are open from 8 a.m. to 7 p.m. daily during the summer season.

May means Dutch tulips in Pella and Orange City

Each May, the blaze of thousands of tulips and the clomp of wooden shoes demonstrates the rich Dutch heritage of Iowa. Festivals held annually in Pella and Orange City feature street-scrubbing, folk dancing and mounds of luscious Dutch pastries and other traditional foods of Holland.



Pella residents were joined by an estimated 150,000 visitors to celebrate the 50th anniversary of Pella Tulip Time. According to Bob Van Hemert, manager of the Chamber of Commerce, "Usually, we have fewer than 200 buses. However, this year we had well over that number."

Van Hemert attributes the larger crowds, in part, to an increased promotional effort by the all-volunteer festival committee. "We used to attend two sport and vacation shows and, perhaps, have 50 bus tours each year. Now we attend seven shows and have about 200 buses."



Dan Kraai, president of the Orange City Chamber of Commerce estimated that over 100,000 people attended the 45th annual Orange City Tulip Festival. "For those people with cabin fever," states Kraai, "it's a chance to get out and enjoy the beauty of spring."

Kraai also stressed that the festival is an inexpensive mini-vacation. "Rooms are available at reasonable rates at Northwestern College, and inexpensive meals are served at several locations," emphasized Kraai.



Rubbermaid®

plans manufacturing operation in Centerville



Governor Terry Branstad joined Rubbermaid Chairman and CEO Stanley C. Gault to announce the new Rubbermaid Commercial Products plant in Centerville.

Rubbermaid Incorporated has signed a letter of intent to purchase the 137,500-square-foot Centerville facility formerly occupied by Hon

Industries.

At a press conference held May 15, Stanley C. Gault, chairman of the board and chief executive officer, stated, "Our rapid growth, both past and projected, has created the demand for additional manufacturing and warehousing capacity. This facility will give us that capacity quickly and efficiently, and will enable us to provide improved service to our customers."

Rubbermaid Commercial Products, Inc. will operate the plant, which will produce and distribute primarily commercial and industrial plastic products. Rubbermaid plans to hire 150 employees initially, adding approximately 100 workers each year for the next two years.

Several factors contributed to Rubbermaid's decision to locate in Centerville. Gault cited the attractiveness of the community; the strong work ethic of the labor force; and the willingness of the community and its leaders to work with business. He also emphasized "the favorable business climate in the state of Iowa, and the recently

passed legislation exempting new machinery and equipment from sales and use tax."

In his remarks, Governor Terry E. Branstad said, "Iowa is beginning to see the effects of legislation I recently signed to make the state's business climate more competitive. We are finding that companies currently in the process of making decisions about whether to expand in Iowa followed this legislative debate very closely."

The Iowa Development Commission, Appanoose Industrial Corporaton, Centerville Chamber of Commerce and other area and state agencies contributed to efforts to attract Rubbermaid to Centerville. David Taylor, chairman of the Centerville Chamber of Commerce Industrial Committee, also credited the residents of the area.

"The residents of Centerville and Appanoose County have looked beyond their present economic conditions to put forth the effort and determination, as well as the financial support necessary, to attract a major new industry to this area."



opens new corporate research center

Governor Terry E. Branstad, Des Moines Mayor Pete Crivaro and Iowa Development Commission Director Jack Bailey joined Kemin Industries President R.W. Nelson and Research Director Chris Nelson at the grand opening ceremonies of Kemin Industries, Inc.'s \$1 million Corporate Research Center held May 6.

This facility, which contains some 6,000-square-feet of experimental area, has been constructed at the company's international headquarters

in Des Moines. Incorporated into the design of the building are some of the most up-to-date, state of the art instrumentation and related research facilities for development of new products for feed and human food.

The purpose of the Center is to facilitate new product development and improvements of Kemin's existing products. Kemin currently markets products in six separate areas, ranging from mold inhibitors for animal feed and human food,

pigmenters for inclusion into poultry feed for the pigmentation of broiler skins and egg yolks, flavors for animal feed to enhance the palatability and consumption of animal foods, antioxidants for the preservation and vitamins and nutrients within the feed, surfactants for more efficient processing of animal feeds and stabilizers for the earlier harvest and safe preservation of valuable agronomic crops.



IOWA BEVERAGE MANUFACTURERS, INC. expanding Ottumwa facility

Iowa Beverage Manufacturers Incorporated (IBMI), in a ceremony featuring Governor Terry E. Branstad and company officials, broke ground on May 3 for a 33,000-square-foot addition to their current Ottumwa facility.

"This demonstrates a further commitment by our company to invest \$1 million plus in an expansion to produce more flavors (of Canfield's Diet Sodas) because of the success we've had in Iowa," said Alan B. Canfield, vice president of Canfield Beverage, the Chicago-based independent that owns IBMI.

"We welcome this additional

investment in Iowa and the jobs that it will provide," said Governor Branstad, who visited Canfield's Chicago headquarters in April during a "Sell Iowa" trip to check on the progress of IBMI's expansion plans.

Demand for Canfield's nine flavors of diet sodas has exploded since the first of the year when *Chicago Tribune* columnist Bob Greene wrote in a nationally syndicated column that Canfield's Diet Chocolate Fudge Soda cured his craving for chocolate and made his diet a success since the soda has only 2 calories. "Ninety days ago we were in four or five states. Now we're in 44," said

Canfield, pointing up the huge impact of Greene's column. It produced orders for Diet Fudge Soda from all over the country and strained Canfield production lines.

IBMI employs up to 70 full-time and part-time employees, depending on seasonal demand for soda drinks. The new expansion could result in as many as 40 additional jobs at the plant.

Canfield's diet line with 100% NutraSweet will be distributed from the Ottumwa plant to Iowa, the Minneapolis area, Nebraska, Kansas and Missouri.

Quinn Popcorn receives SBA export award

Kenneth E. Quinn, chief executive officer and owner of Quinn Popcorn Co. in Lake View, has been named 1985 Iowa Small Business Exporter of the Year by the U.S. Small Business Administration, Des Moines District Office.

S.B.A. Des Moines District Director Conrad Lawlor, in making the announcement, cited the company for its total involvement in

the popcorn food product industry. He further commended Quinn for establishing a record as a recognized producer of hybrid popcorn seed and high quality popping corn.

Quinn Popcorn is packed and distributed throughout the United States. In the mid-60s, they began exporting their product and today, the company sends popcorn around the world to some 20 foreign

markets, including Canada, Europe, British Isles, Italy, Spain, France and Colombia.

"It's small business that creates and supplies the market," stated Lawlor. "It is the hope of S.B.A. that more of our small businesses look to exporting as a means of sales diversification."

Weber joins Community Resources Group

Bret H. Weber has been named as Eastern Iowa regional manager for the IDC's Community Resources Group. Prior to joining the IDC, he worked with the Yosemite Park & Curry Company, The Bankers Life and the Greater Des Moines Chamber of Commerce. Weber is a business graduate of Simpson College in Indianola.

Weber joins James B. Kersten, Central Iowa regional manager and Doug Lewis, Western Iowa regional manager, in assisting communities in their economic development efforts.

Doug Lewis
515/218-8547

James Kersten
515/281-8481

Bret Weber
515/281-8477

Iowa Ag & Business Indicators

Compiled by the Iowa Development Commission

Labor Demand and Supply¹

February, 1985

Service Areas	New Applicants		Service Areas	New Applicants	
	Individual Placements	Renewals		Individual Placements	Renewals
Ames	73	456	Iowa City	193	1,172
Atlantic	43	200	Keokuk	47	446
Burlington	85	723	Marshalltown	83	401
Carroll	36	204	Mason City	172	900
Cedar Rapids	217	1,639	Mt. Pleasant	104	830
Centerville	42	269	Muscatine	19	446
Charles City	45	110	Newton	239	338
Clinton	79	954	Oskaloosa	34	240
Council Bluffs	NA	NA	Ottumwa	63	757
Creston	20	253	Sheldon	23	129
Davenport	327	2,238	Shenandoah	38	179
Decorah	14	171	Sioux City	257	1,708
Des Moines	676	1,974	Spencer	35	278
Dubuque	172	1,515	Storm Lake	47	288
Fairfield	26	218	Waterloo	185	1,957
Fort Dodge	175	766	Webster City	64	174
Fort Madison	45	396	Statewide	4,769	33,562

¹All new applicants and job openings listed with Iowa Department of Job Service.

U.S. Consumer Price Index

	Feb., 1985	Feb., 1984
All Urban Consumers (1967 = 100)	317.4	306.6

U.S. Composite Construction Cost Index

	December 1984	December 1983
U.S. Composite Construction Cost Index (1977 = 100)	164.9	158.3

Business Data

	2/85	2/84	2 mos./85	2 mos./84
New Car Registrations	5,549	6,206	13,579	12,537
Iowa Savings & Loan (\$000,000)				
Total Loans Closed	28.4	42.4	62.6	72.5
Savings	41.2	3.5	82.7	34.7
Work Force (000)	1,345.5	1,349.2	1,347.4	1,344.4
Unemployment	83.0	81.7	82.4	82.6
Rate (% of work force)	6.2	6.1	6.2	6.2
Employment	1,262.5	1,267.5	1,265.0	1,261.8

Value of New Dwellings¹ (\$000)

	3/85	3 mos./85	3/84	3 mos./84
Ames	\$ 483.0	\$ 713.0	\$ 130.0	\$ 130.0
Ankeny	319.3	568.4	292.3	292.3
Bettendorf	1,148.7	1,585.3	830.7	1,646.4
Boone	0	0	0	0
Burlington	0	0	50.0	50.0
Carroll	0	0	0	75.0
Cedar Falls	0	0	229.6	361.1
Cedar Rapids	340.3	738.8	460.2	833.0
Clinton	95.0	173.0	15.0	15.0
Council Bluffs	286.3	530.6	229.3	1,738.7
Davenport	307.7	1,887.2	683.4	1,987.0
Decorah	480.0	480.0	0	60.0
Des Moines	1,445.9	2,622.2	353.2	692.6
Dubuque	0	0	0	66.1
Fairfield	502.0	502.0	1,125.0	2,485.0
Fort Dodge	0	0	397.7	397.7
Fort Madison	98.9	98.9	0	0
Indianola	316.0	316.0	0	0
Iowa City	1,712.9	2,075.2	2,518.1	5,056.3
Keokuk	28.0	89.0	0	216.0
Marion	222.1	259.2	139.1	365.4
Marshalltown	0	0	55.0	55.0
Mason City	517.9	619.9	200.0	223.0
Muscatine	56.3	94.8	197.4	282.2
Newton	186.6	186.6	0	32.6
Oskaloosa	0	0	248.0	337.0
Ottumwa	125.0	217.0	0	0
Sioux City	122.4	175.9	123.9	243.1
Spencer	0	0	40.0	90.0
Urbandale	2,143.6	2,379.6	1,339.2	3,466.5
Waterloo	0	0	106.0	152.6
West Des Moines	1,691.2	6,721.9	1,224.5	1,884.9
Total	\$ 12,701.1	\$ 23,034.5	\$ 10,987.6	\$ 23,234.5

¹Single, two-family and multiple residential dwellings, based on housing permits issued.

Farm Retail Price Spreads

	Jan. '85	Jan. '84
Beef, Choice:		
Retail price (cts./lb.)	239.7	239.3
Net carcass value (cts.)	147.0	155.9
Net farm value (cts.)	139.8	146.1
Farm-retail spread (cts.)	99.9	93.2
Pork:		
Retail price (cts./lb.)	166.0	162.2
Wholesale Value (cts.)	110.0	112.9
Net farm value (cts.)	78.0	79.3
Farm-retail spread (cts.)	88.0	82.9
Dairy Products:		
Retail cost (1967 = 100)	258.8	250.8
Farm value (1967 = 100)	263.3	259.1
Farm-retail spread (1967 = 100)	254.8	243.5
Eggs:		
Retail cost (1967 = 100)	161.3	266.5
Farm value (1967 = 100)	153.7	332.6
Farm-retail spread (1967 = 100)	172.2	170.9

Personal Income Quarterly Periods

	1984	1983
Personal Income (\$000,000)	34,515 35,041	30,470 31,619

Stock Index

	Iowa*	Dow Jones Industrial
Jan., 1985	233.64	1,277.72
Feb., 1985	234.07	1,284.01
Mar., 1985	229.38	1,266.78

*Robert C. Westlund, Piper, Jaffray & Hopwood, Inc. (1967 = 100)

Average Price Received by Farmers

	3/85	2/85	3/84
Corn, bu.	\$ 2.57	\$ 2.52	\$ 3.15
Soybeans, bu.	5.67	5.60	7.69
Oats, bu.	1.79	1.81	1.97
Hogs, cwt.	44.00	48.70	45.80
Beef cattle, cwt.	55.70	58.90	61.30
Calves	64.90	64.00	61.70
Milk (whls), cwt.	13.10	13.20	13.00
Sheep, cwt.	23.30	26.80	18.20
Lambs, cwt.	63.70	64.00	60.00
Eggs (market), doz.	.40	.31	.61
All hay, ton baled	52.00	55.00	82.00
Turkeys, lb.	.40	.40	.41

Average Price Paid by Farmers

	3/15/85	3/15/84
Beef cattle concentrated, 32-36%	\$ 10.90	\$ 14.00
Hog feed, 38-42% protein	11.80	15.80
Soybean meal, 44% protein	8.90	13.50
Dairy feed, 16% protein	168.00	210.00
Poultry feed, layer ration	190.00	186.00

Commodity Feed Price Ratios

	3/15/85	3/15/84
Hog — corn ¹	17.1	14.5
Beef cattle — corn ¹	21.7	19.5
Egg — feed ²	4.8	7.0
Milk — feed ³	1.56	1.24

¹Bushels of corn equal in value to 100 lbs. of hog or cattle liveweight

²Pounds of laying feed equal in value to 12 eggs.

³Pounds of concentrate ration equal in value to 1 lb. of wholesale milk.



Iowa Economic Indicators

Office for Planning and Programming

Keith Heffernan, Director

Steven L. Rosenow, Staff Economist

Iowa GSP fell 5.4 percent for 1984; U.S. GNP rose 5.6 percent

The economic situation in Iowa remains markedly different from that for the nation as a whole. The state's gross state product (GSP) fell from \$34.3 billion at the end of 1983 to \$33.6 billion at the end of 1984, a two percent decline. When adjusted for the effects of inflation on the values, the measure of Iowa's aggregate economic activity fell by 5.4 percent for the year. During this same period, the gross national product increased by an inflation-adjusted 5.6 percent. Iowa's GSP has registered declines in each of the past five calendar quarters.

The real yearly decline in 1984 is attributed to a 0.4 percent decline in the state's personal income, which reflected a decline in farm proprietors' income in each of the quarters of 1984. The Iowa farm income from \$721 million at the end of 1983 to a negative of \$536 million during the final quarter of 1984. Even after adjusting the numbers for inflation, this component fell by 189 percent in the past year—a fact that has not been lost on bankers, implement dealers and rural retailers. The onset of the planting season should provide some much needed relief for many small town merchants.

In contrast to the drops in farm income, two components of personal income have made significant gains during 1984. However, these components, personal dividend income and personal interest income, are not included in GSP estimates since they are not related to the current production of goods and services. Another personal income component which is excluded from GSP, government transfer payments, has remained stagnant during the past four quarters.

In addition to the declines in the components of the state's personal income, 1984 was characterized as a year of declines in corporate profits in the state's industries—down an

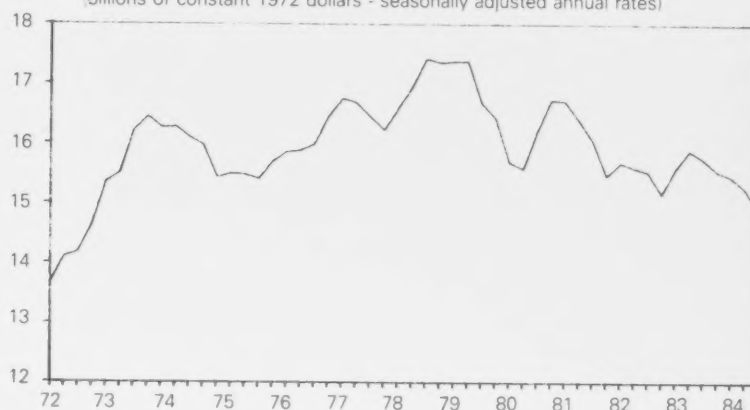
inflation-adjusted 7.3 percent.

On the upside, personal interest and dividend income for Iowans rose an inflation-adjusted 13.7 percent for

the year. Currently, dividends represent 2.4 percent and interest, 20.9 percent of Iowa's personal income level.

Iowa Gross State Product

(billions of constant 1972 dollars - seasonally adjusted annual rates)



Selected Economic Indicators

All Series Seasonally Adjusted

	Annual Average 1984	Latest Period	Value	Percent Change from Prior Period	Year Ago	2 Years Ago
Iowa Gross State Product (billions)						
Constant (1972) dollars	15.3	'84 Q:4	14.9	-2.7	-5.4	-4.1
Current dollars	34.1	'84 Q:4	33.6	-2.0	-2.0	3.1
Iowa Personal Income (billions)						
Constant dollars	14.9	'84 Q:4	14.9	0.4	-0.4	0.7
Current dollars	33.2	'84 Q:4	33.8	1.1	3.2	8.6
Gross National Product (billions)						
Constant dollars	1,637.9	'84 Q:4	1,656.7	0.7	5.3	12.0
Current dollars	3,659.9	'84 Q:4	3,747.2	1.4	9.2	20.5
Iowa Composite Indices						
Leading	144.4	January	147.5	2.4	2.1	12.2
Coincident	135.1	January	135.6	0.6	0.2	7.5
Lagging	130.3	January	132.1	2.0	1.8	4.6
(All indices - 1967 = 100)						
Ia. Industrial Prod. Index	141.4	Jan. 1985	139.5	-0.4	-0.5	159.4
Food & Kindred Products	140.0	Jan. 1985	138.0	0.7	-4.2	149.1
Printing & Publishing	180.6	Jan. 1985	188.7	1.3	6.0	188.7
Rubber & Plastics	355.2	Jan. 1985	345.1	0.2	2.7	370.2
Fabricated Metals	128.7	Jan. 1985	131.0	0.0	3.6	151.8
Farm Machinery	77.4	Jan. 1985	70.5	-1.7	-4.8	137.0
Construction Machinery	112.0	Jan. 1985	101.9	-8.9	-7.9	191.1
Electrical Equipment	126.2	Jan. 1985	129.5	0.9	3.0	145.2
						107.6

Total income earned in Iowa's agricultural sector declined for the fourth consecutive period during the third quarter of 1984 and helped push the estimate of the state's total labor, proprietors' and corporate income down by 1.1 percent during the period. The farm portion of the economy was joined by a number of other major sectors in its decline. Total income earned in manufacturing, trade and the financial industries exhibited declines ranging from 1.1 to 2.5 percent.

Labor, proprietors' and corporate income earned in agriculture experienced further declines during the third quarter. In addition, the Federal Reserve Bank of Chicago reports in their Agricultural Letter that farmland values in Iowa fell 22 percent during 1984 and nearly 38 percent since their peak level in 1981. As a result, more farmers are facing loan repayment difficulties. Iowa bankers report that 18 percent of their farm loans face significant repayment difficulties. The impact of

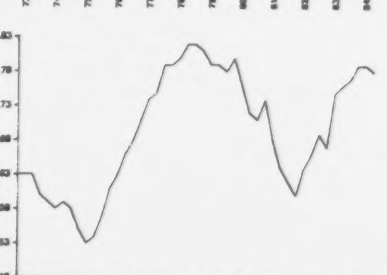
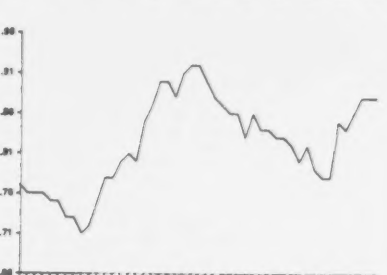
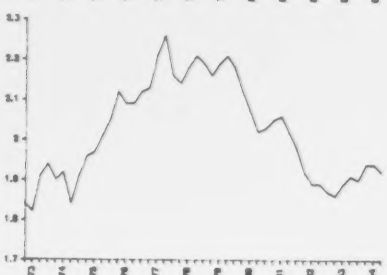
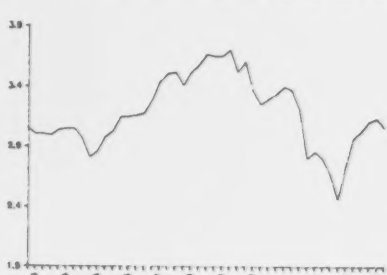
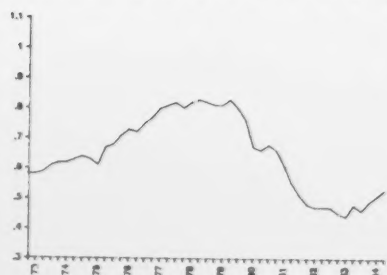
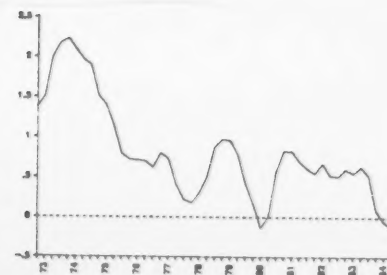
the federal farm debt restructuring program is uncertain; during the first four months of the program, only two Iowa loans were involved. However, recent federal and state efforts to make the program more attractive to lenders are expected to boost participation in the program. Another major factor limiting farm income is the dollar's strength against foreign currencies. The strong dollar makes American grain more expensive overseas and limits American penetration of foreign markets. Despite an easing of interest rates during the latter half of 1984, the dollar refused to weaken and continued to gain strength. Many analysts indicate that prospects for a significant weakening of the dollar are slight, and diminished export markets will continue to plague agriculture in the near future.

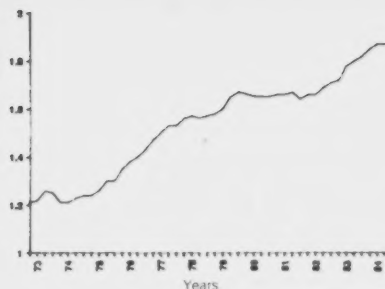
Total income generated in Iowa construction industries grew by 3.9 percent during the third quarter of 1984, despite the slowly rising home

Total Labor, Proprietors' and Corporate Income in Iowa

Seasonally Adjusted at Annual Rates
Billions of Constant (1972) Dollars

	Annual Average		Percent Change			
	1982	1983	1984 Q:2	1984 Q:3	84 Q:2 from 83 Q:2	83 Q:2
Total Income	10.32	10.59	10.58	10.46	- 1.1	- 4.3
Goods-producing	3.83	3.85	3.61	3.48	- 3.4	-15.2
Agriculture	0.55	0.57	-0.06	-0.13	N/A	N/A
Mining	0.02	0.02	0.02	0.02	4.7	20.3
Construction	0.47	0.46	0.51	0.53	3.9	9.2
Manufacturing	2.78	2.80	3.14	3.06	-2.5	2.9
Durable Goods	1.54	1.52	1.76	1.74	-1.0	6.3
Primary Metals	0.08	0.08	0.11	0.10	-3.7	20.3
Fabricated Metals	0.22	0.22	0.25	0.24	-2.3	2.9
Machinery	0.64	0.56	0.68	0.66	-3.0	11.1
Electrical Equipment	0.28	0.25	0.26	0.27	1.2	0.9
Nondurable Goods	1.25	1.29	1.39	1.32	-4.6	- 1.8
Food and Kindred	0.58	0.58	0.58	0.56	-3.3	- 2.0
Printing and Publishing	0.22	0.22	0.23	0.24	2.4	6.1
Rubber and Plastics	0.11	0.12	0.14	0.15	4.0	17.9
Service-producing	6.49	6.74	6.97	6.97	0.0	2.3
Transportation & Utilities	0.80	0.83	0.88	0.88	0.0	5.5
Trade	1.89	1.89	1.94	1.92	-1.1	0.5
Wholesale	0.88	0.85	0.88	0.87	-0.4	1.6
Retail	1.02	1.04	1.06	1.04	-1.8	- 0.4
Finance, Insurance and						
Real Estate	0.65	0.74	0.79	0.78	-1.1	2.9
Services	1.68	1.78	1.87	1.87	0.1	4.1
Government	1.48	1.51	1.49	1.52	2.1	0.5





mortgage interest rates of the period. Mortgage rates remained somewhat elevated during the fourth quarter. However, construction employment held up well, and construction income can be expected to remain fairly stable for the period. In addition, very preliminary indications point to the potential for stability during the first quarter of 1985. Many interest rate indicators started the year by decreasing from their December levels, and the level of residential construction intentions indicated by new construction contracts increased sharply to begin the year.

Total labor, proprietors' and corporate income originating in the state's manufacturing sector dropped by 2.5 percent during the third quarter of 1984, following five consecutive quarters of growth. Income attributed to durable goods manufacturing declined by 1.0

percent. Income earned in the troubled primary metals (down 3.7 percent), fabricated metals (down 2.3 percent) and nonelectrical machinery (down 3.0 percent) industries each dropped after experiencing significant gains during the previous quarter. Among manufacturers of nondurable goods, declines were experienced in the food products and other nondurable goods categories. Two other major sectors of the nondurable goods manufacturing sector experienced growth during the period. Income from the printing and publishing industry grew by 2.4 percent, and rubber and plastic product manufacturing income was up by 4.0 percent.

Estimated income earned in the service-producing industries was unchanged from the prior period's level during the third quarter of 1984. Income declines were experienced during the period by the trade and financial sectors, and income growth within the services industries grew only slightly.

Labor, proprietors' and corporate income attributed to Iowa's transportation, communication and utilities industries exhibited no change during the third quarter from second quarter levels. Employment within this sector exhibited no significant changes during all of 1984, and relatively stable income

can be expected for the fourth quarter.

Income generated in the state's trade sector declined by 1.1 percent during the third quarter, with the drop split between the wholesale and retail portions of the industry. The effects of the past several years' declining income levels in agriculture and manufacturing are apparent. Trade income has declined in three of the past four quarters, with the retail portion absorbing the greater portion of the drop.

Declining interest rates may have been the cause for the 1.1 percent decline in income earned in the financial sector during the third quarter. Falling interest rates depress insurance company earnings by reducing the companies' return on their investments. The slight drop in income during the third quarter may be a reflection of the gently falling interest rates of the period. Employment during both the third and fourth quarters was stable.

Income attributed to the service industries, much like that of the trade sector, depends on the level of income and activity in agriculture and manufacturing. The very small (0.1 percent) increase experienced during the third quarter reflects the slump of the goods-producing industries. Employment was stable during the period, although some declines were experienced in health care services.

The **Iowa Index of Leading Economic Indicators** declined in March, continuing the pattern of erratic behavior which has been evident during most of the past year. This index, which is designed to provide early detection of changes in Iowa economic trends, has not moved continually in one direction for three consecutive months since April, May and June of last year. The leading indicators dipped by 0.2 percent in March, as four of the index's five components declined. Initial claims for jobless benefits, which improved for the third consecutive month, was the lone bright spot among the leading indicators.

The indices of coincident and lagging indicators also declined during the latest period. The three composites portray the state's economy as being without any clear

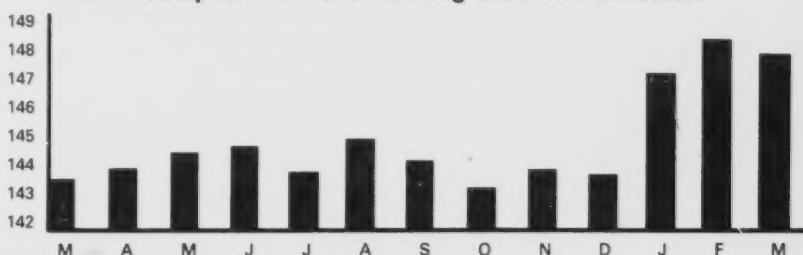
trend. However, recent declines in interest rates bode well for construction and a number of other interest rate-sensitive Iowa industries.

The **Iowa Composite Index of Coincident Economic Indicators** dropped by 0.3 percent in March. This index is designed to reflect current economic conditions in the state, and for the past year no clear trend has been evident in its movements. The monthly decline in

March resulted from drops by three of the four indicators included in the composite. Rising industrial production was not sufficient to offset declines in nonfarm employment, new incorporations and state sales tax receipts.

The **Iowa Composite Index of Lagging Economic Indicators** dropped by 0.3 percent in March, largely on the strength of a decline in state income tax receipts.

Iowa Composite Index of Leading Economic Indicators





Labor Market Information

Richard Freeman, Director

Ann Wagner, Labor Market Analyst

State Unemployment Drops in March

Iowa's unemployment rate dropped to 5.8 percent in March from 6.3 percent in February. The comparable rate for the same period one year ago was 5.8 percent. Recall activity in durable goods manufacturing and seasonal hiring in several of the nonmanufacturing industries helped to alleviate statewide joblessness.

The March unemployment rate represented 78,800 unemployed Iowans out of a labor force that totaled 1,359,400. The jobless count stood at 85,300 for February, and at 78,900 for March 1984.

Total employment increased to 1,280,700 in March, posting a gain of 19,000 from the previous month. Employment was reported at 1,261,700 in February, and at 1,290,200 for the same month last year. Agricultural employment grew by 14,200 workers in March. Gains of 4,100 were registered for nonagricultural wage and salary employment, and 700 for a third category comprised of self-employed workers, unpaid family members, and private household workers.

The number of workers employed in manufacturing rose to 207,500 in March, an increase of 900 from the February level of 206,600. A recall of 1,300 workers in the construction machinery industry accounted for the large monthly gain. Manufacturing was reported at 210,500 workers in March 1984. Over-the-year losses were primarily concentrated in farm machinery and meat products.

Employment conditions in the nonmanufacturing industries appeared favorable in March, as advances of 3,200 were reported from the previous month. Seasonal hiring was apparent in construction, in retail trade, in the services, and in local government. Annual gains in the nonmanufacturing industries totaled 1,900. Comparable data for one year ago showed construction jobs up

Iowa Labor Force Summary

(In Thousands)

	Mar. 1985	Feb. 1985	March 1984
Resident Civilian Labor Force	1,359.4	1,346.9	1,369.2
Resident Unemployed	78.8	85.3	78.9
Percent Unemployed	5.8	6.3	5.8
Resident Total Employment	1,280.7	1,261.7	1,290.2
National Unemployment Rate*	7.3	7.3	7.8
Iowa CPS Unemployment Rate**	9.1	9.6	8.3

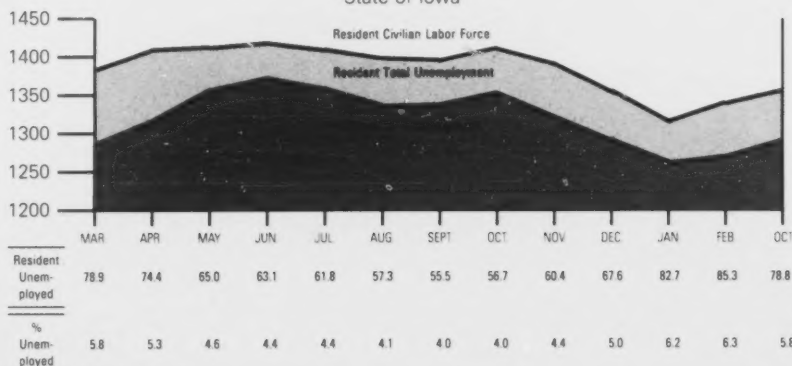
*Seasonally adjusted rate

**Current Population Survey (CPS) rate should be used for federal and state funding purposes

Labor Force, Employment, Percent Unemployed

March 1984 through March 1985 (Non CPS)

State of Iowa



Iowa Nonagricultural Wage and Salary Employment

Place of Work Data - In Thousands

	Mar. 1985	Feb. 1985	Mar. 1984	Net Change From	
				Feb. 1985	Mar. 1984
Total Nonagricultural	1,052.6	1,048.4	1,053.7	4.2	-1.1
Manufacturing	207.5	206.6	210.5	0.9	-3.0
Durable Goods	121.2	120.1	122.4	1.1	-1.2
Nondurable Goods	86.3	86.4	88.1	-0.1	-1.8
Nonmanufacturing	845.1	841.9	843.2	3.2	1.9
Mining	1.6	1.4	1.7	0.2	-0.1
Construction	30.1	29.0	28.5	1.1	1.6
Transportation, Communication & Utilities	49.9	49.9	50.5	0.0	-0.6
Trade	263.7	263.1	267.4	0.6	-3.7
Finance, Insurance & Real Estate	62.1	62.0	60.7	0.1	1.4
Government	212.5	211.9	209.3	0.6	3.2

1,600; finance, insurance and real estate up 1,400; services up 100, and government up 3,200. Three industries showed a drop from last

year — mining down 100; transportation, communication and utilities down 600; and wholesale and retail trade down 3,700.

Available Buildings

This is not a complete list of all buildings available in Iowa. For further information, please call 515-281-3251.

Square Footage	Community	Former Use
10,000	Charles City	Spec Building
10,880	Manchester	Industrial
12,000	Sioux City	Spec Building
12,500	Cherokee	Spec Building
13,600	Davenport	Warehouse
16,000	Guttenberg	Light Industrial
20,000	Clinton	Spec Building
20,000	Maquoketa	Spec Building
21,000	Corning	Spec Building
21,205	Oskaloosa	Spec Building
22,500	Red Oak	Spec Building
23,000	Waverly	Spec Building
27,374	Iowa City	Warehouse
27,574	Webster City	Heavy Industrial
32,580	Sioux City	Light Manufacturing
33,500	Des Moines	Industrial
40,000	Creston	Spec Building
40,125	Hamburg	Commercial
42,300	Jefferson	Light Industrial
47,596	Boone	Heavy Industrial
49,474	Albia	Manufacturing
54,080	Oskaloosa	Industrial
54,240	Camanche	Industrial
59,512	Denison	Manufacturing
65,105	Ottumwa	Industrial
66,708	Johnston	Warehouse (Sold)
70,766	Forest City	Manufacturing (Sold)
78,317	Fairfield	Manufacturing
81,400	Algona	Industrial
88,900	Council Bluffs	Manufacturing
90,000	Fort Dodge	Manufacturing
91,340	Story City	Light Industrial
100,000	Cedar Rapids	Light Manufacturing
124,626	Jefferson	Industrial
137,500	Centerville	Manufacturing (Sold)
160,270	Albia	Industrial
169,000	Red Oak	Manufacturing
180,000	Sioux City	Office Plaza
245,774	Waterloo	Industrial
655,430	Des Moines	Industrial



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Iowa leads nation in quality of life

According to a study recently released by the Iowa Development Commission, Iowa ranks first among all 50 states in quality of life. For the second consecutive year, Iowa ranks ahead of other states in an indexed comparison of 23 publicly-available statistics, including such factors as education, health care, public safety and economic indicators.



In overall quality of life index scores, midwestern states ranked very high. Iowa scored highest with 75.85, followed by Minnesota (75.35), North Dakota (74.63), Nebraska (74.56) and Kansas (73.05) in the top five. South Dakota and Wisconsin were in the top ten.

The Research and Development Group of the IDC released the first quality of life study last year, comparing Iowa to 11 other midwestern states. This year, the study included all 50 states, as well as national figures.

"We wanted to give people a better idea of where Iowa ranks nationally," said Jack Bailey, director of the IDC. "Quality of life is a significant non-cost factor in economic development, and a study of this type puts data in a useful form for comparison between states."

Iowa scored very high in the area of education, which included such items as college entrance scores and high school graduation rate, and economic indicators such as grocery prices and state government debt per capita. Overall, Iowa ranked far above the U.S. average in nearly every category.

For a copy of the Quality of Life study, contact the Research and Development Group of the IDC.